

BYLAWS
OF
FOUNDATION FOR AFFORDABLE HOUSING V, INC.

Incorporated under the laws of the State of California

ARTICLE 1

NAME, LOCATION AND OFFICES

1.1 **Name.** The name of this Corporation shall be “Foundation For Affordable Housing V, Inc.”

1.2 **Registered Office and Agent.** The Corporation shall maintain a registered office in the State of California and shall have a registered agent whose address is identical with the address of such registered office, in accordance with the requirements of the California Nonprofit Corporation Law.

1.3 **Other Offices.** The principal office and any other offices of the Corporation shall be located in such place or places, within or without the State of California, as the Board of Directors may determine from time to time or as the affairs of the Corporation may require or make desirable.

ARTICLE 2

PURPOSES OF GOVERNING INSTRUMENTS

2.1 **Nonprofit Corporation.** The Corporation shall be organized and operated as a nonstock Corporation under the provisions of the California Nonprofit Corporation Law.

2.2 **Section 501(c)(3) Only.** The Corporation is a voluntary association of individuals and organizations the purposes of which, as set forth in the articles of incorporation, are exclusively within the meaning of Section 501(c)(3) of the Internal Revenue Code, as specified in the articles of incorporation.

2.3 **Governing Instruments.** The Corporation shall be governed by its articles of incorporation and its bylaws.

ARTICLE 3

BOARD OF DIRECTORS

3.1 Authority and Responsibility of the Board of Directors.

(a) The supreme authority of the Corporation and the government and management of the affairs of the Corporation shall be vested in the Board of Directors. All of the powers, duties and functions of the Corporation as conferred by the articles of incorporation, these bylaws, state statutes, common law, court decisions, or otherwise, shall be exercised, performed or controlled by the Board of Directors.

(b) The governing body of the Corporation shall be the Board of Directors. The Board of Directors shall have supervision, control and direction over the management, affairs and property of the Corporation; shall determine its policies or changes therein; and shall actively prosecute its purposes and objectives and supervise the disbursement of its funds. The Board of Directors may adopt, by majority vote, such rules and regulations for the conduct of its business and the business of the Corporation as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to an executive committee. Under no circumstances, however, shall any actions be taken which are inconsistent with the articles of incorporation and these bylaws. The fundamental purposes of the Corporation, as expressed in the articles of incorporation and these bylaws, shall not be amended or changed.

(c) The Board of Directors shall not permit any part of the net earnings or capital of the Corporation to inure to the benefit of any member, director, officer, trustee, or other private person or individual. The Corporation, however, shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Corporation.

(d) The Board of Directors may, from time to time, appoint as advisors persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the purposes and functions of the Corporation.

(e) The Board of Directors is authorized to employ such person or persons, including an executive director, attorneys, directors, agents, and assistants, as in its judgment are necessary or desirable for the administration and management of the Corporation, and to pay reasonable compensation for the services performed and expenses incurred by any such person or persons.

3.2 Initial and Regular Board of Directors. The regular Board of Directors shall consist of no less than one (1) nor more than five (5) directors. Directors shall be elected at the annual meeting of the voting members of the Corporation by a majority vote of the voting members.

3.3 Manner of Election and Term of Office. Each director shall take office as of the close of such annual meeting and shall continue in office for a term of one (1) year and thereafter until his successor has been elected and qualified or until his earlier death, resignation, retirement, disqualification or removal.

There shall be no limitation on the number of successive terms of office for which a director may serve.

3.4 Nominations. Any director, officer or voting member may present to the directors one nomination for each seat on the Board of Directors which is vacant or about to expire.

3.5 Removal. Any director may be removed with or without cause, and his successor elected, at any time during his term at any regular, special or annual meeting of the voting members, by a majority vote of the voting members as provided in Article 7 herein. A removed director's successor shall be elected by the voting members at a special or annual meeting of the voting members to serve the unexpired term.

3.6 Resignation. Any director may resign by providing written notice to the Board of Directors, its Chairman, the President or the Secretary of the Corporation. Such written notice shall contain the effective date of the director's resignation or shall be deemed effective upon actual receipt.

3.7 Vacancies. Except as limited by Section 3.5, any vacancy on the Board of Directors arising at any time and from any cause, including the authorization of an increase in the number of directors, may be filled for the unexpired term at any meeting of the voting members. Each director so elected shall hold office until elections at the next annual meeting of the voting members.

3.8 Committees of the Board of Directors. By resolution adopted by a majority of the full Board of Directors, the Board of Directors may designate from among its members one or more committees, including an executive committee. The executive committee, if any, may exercise all of the powers of the Board of Directors, between meetings of the Board, as permitted by California Nonprofit Corporation Law.

ARTICLE 4

MEETINGS OF THE BOARD OF DIRECTORS

4.1 Place of Meeting. Meetings of the Board of Directors may be held at any place within or without the State of California, as set forth in the notice thereof or in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver, or if no place is so specified, at the principal office of the Corporation. Meetings may be held by telephone.

4.2 Annual Meeting Notice. The annual meeting of the Board of Directors shall be held at the principal office of the Corporation or at such other place as the Board of Directors shall determine on such day and at such time as the Board of Directors shall designate. Unless waived as contemplated in Sections 4.5 or 5.2 of these bylaws, notice of the time and place of such annual meeting shall be given by the Secretary either personally or by telephone or by mail or by telegram no less than ten (10) nor more than sixty (60) days before such meeting.

4.3 Regular Meeting; Notice. Regular meetings of the Board of Directors may be held from time to time between annual meetings at such times and at such places as the Board of Directors may prescribe. Notice of the time and place of each such regular meeting shall be given by the Secretary either personally or by telephone or by mail or by telegram not less than seven (7) nor more than thirty (30) days before such regular meeting.

4.4 Special Meetings; Notices. Special meetings of the Board of Directors may be called by or at the request of the President or by any two of the directors in office at that time. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by the Secretary either personally or by telephone or by mail or by telegram at least twenty-four (24) hours before such meeting.

4.5 Waiver. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director extends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called. See also Article 5 ("Notice and Waiver").

4.6 Quorum. At meetings of the Board of Directors, a majority of the directors then in office shall be necessary to constitute a quorum for the transaction of business.

4.7 Vote Required for Action. Except as otherwise provided in these bylaws or by law, the act of a majority of the directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Adoption, amendment and repeal of a bylaw is provided for in Article 11 of these bylaws.

4.8 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting duly called. The signed consent, or a signed copy, shall be placed in the minute book.

4.9 Telephone and Similar Meetings. Directors may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except when a person participates in the meeting for

the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

4.10 Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

ARTICLE 5

NOTICE AND WAIVER

5.1 Procedure. Whenever these bylaws require notice to be given to any directors, the notice shall be given as prescribed in Article 4. Whenever notice is given to a director by mail, the notice shall be sent first-class mail by depositing the same in a post office or letter box in a postage prepaid sealed envelope addressed to the director at his or her address as it appears on the books of the Corporation; and such notice shall be deemed to have been given at the time the same is deposited in the United States mail.

5.2 Waiver. Whenever any notice is required to be given to any director by law, the articles of incorporation, or by these bylaws, a waiver thereof in writing signed by the director entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto. See also Section 4.5 of these bylaws ("Waiver").

ARTICLE 6

OFFICERS

6.1 Number and Qualifications. The officers of the Corporation shall consist of a president, vice president, secretary and treasurer. Officers need not be (but can also be) directors. The Board of Directors shall from time to time create and establish the duties of such other officers or assistant officers as it deems necessary for the efficient management of the Corporation, but the Corporation shall not be required to have at any time any officers other than a president, vice president, secretary and treasurer.

6.2 Election and Term of Office. The initial officers of the Corporation shall be elected by the initial directors of the Corporation and shall serve until the first annual meeting of the Board of Directors and until their successors have been elected and qualified in accordance with these bylaws. Thereafter, such officers shall be elected annually by the Board of Directors of the Corporation. Such officers shall serve for a term of one (1) year and, thereafter, until their

successors have been elected and qualified, or until their earlier death, resignation, removal, retirement, or disqualification. Officers appointed by the Board of Directors under these bylaws shall serve at the will of the Board of Directors and may be removed at any time with or without cause.

6.3 Other Agents. The Board of Directors may appoint from time to time such agents as it may deem necessary or desirable, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board of Directors may from time to time determine.

6.4 Removal. Any officer or agent elected or appointed by the Board of Directors or any agent employed by the President, may be removed by the voting members or by the Board of Directors.

6.5 Vacancies. A vacancy in any office arising at any time and from any cause may be filled for the unexpired term at any meeting of the Board of Directors.

6.6 President. The President shall be the principal executive officer of the Corporation and shall preside at all meetings of the Board of Directors. The President shall be authorized to sign statements and reports required to be filed with state or federal officials or agencies and shall be authorized to enter into any contract or agreement and to execute in the corporate name, along with the Secretary, if required, any instrument or other writing. The President shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall have the right to supervise and direct the management and operation of the Corporation and to make all decisions as to management, operations, policy, the employment and compensation of corporate personnel and agents (except for himself), and otherwise which may arise between meetings of the Board of Directors. The other officers and employees of the Corporation shall be under the President's supervision and control during such interim period. The President shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

6.7 Vice President. The Vice President shall carry out those duties as directed by the President of the Corporation and shall act in place of the President in the event of the President's absence or incapacity.

6.8 Secretary.

(a) The Secretary shall attend all meetings of the Board of Directors and record all votes, actions and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any executive and other committees when required.

(b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors.

(c) The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors or the President, affix it to any instrument requiring it. When so affixed, it shall be attested by the Secretary's signature.

(d) The Secretary shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

6.9 Treasurer.

(a) The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all monies and other valuables in the name and to the credit of the Corporation into depositories designated by the Board of Directors.

(b) The Treasurer shall disburse the funds of the Corporation as ordered by the Board of Directors or the President, and shall prepare financial statements each month or at such other intervals as the Board of Directors or the President shall direct.

(c) If required by the Board of Directors, the Treasurer shall give the Corporation a bond (in such form, in such sum, and with such surety or sureties as shall be satisfactory to the board) for the faithful performance of the duties of that office and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

(d) The Treasurer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

ARTICLE 7

MEMBERS

7.1 Voting and Advisory Members. The Corporation shall have two (2) classes of members: voting members and advisory members.

(a) The initial voting members shall be unanimously approved by the initial Board of Directors of the Corporation at the initial meeting of the Board of Directors.

Thereafter, a candidate for voting member status must be nominated by at least one (1) director and unanimously approved by all voting members at any annual or special meeting of the voting members for such a candidate to achieve voting member status.

Voting members shall be permitted at any special or regular meeting by a majority vote, once a quorum of at least one-third (1/3) of voting members is established, to remove any director or officer with or without cause, effective immediately, and at the same or another meeting, by majority vote, to elect his successor to complete the unexpired term. There is no requirement that any notice be given to the director or officer or that he be given an opportunity to be heard or represented at such meeting; however, the notice of meeting shall state that the purpose, or one of the purposes, of the meeting is removal of the director.

Voting members shall have the right to vote on any plan of dissolution.

Should all voting members be deceased, additional voting members may be nominated by the Board of Directors and elected at any annual or special meeting of the Board of Directors. Criteria to be considered by the Board of Directors in nominating and electing additional voting members are the candidate's merit, commitment or service to the Corporation's past, present and future goals, purposes and programs.

Voting members may be removed and their voting rights cancelled, with or without cause, by a three-fourths (3/4) vote of voting members at any annual or special meeting of the voting members, following not less than thirty (30) days written notice to the voting member whose removal shall be sought. A vote on said removal shall be held only after an opportunity to be heard has been provided to the voting member whose removal is sought, unless the voting member's whereabouts are unknown.

(b) Advisory members shall be those persons who apply for membership in the proper form as prescribed by the Board of Directors, subscribe to and express a willingness to support the Corporation's goals, purposes and programs, and make contributions to the Corporation. Advisory members shall have no right to vote for directors or on any other issues affecting the corporation.

7.2 Annual Meetings. The annual meeting of the voting members of the Corporation shall be held at the times and places designated by the Board of Directors or the President of the Corporation. The annual meeting of voting members for any year shall be held no later than twelve (12) months after the last annual meeting of voting members. However, failure to hold an annual meeting timely shall in no way affect the terms of officers or directors of the Corporation or the validity of actions of the Corporation.

7.3 Special Meetings. Special meetings of voting members may be called by the Chairman of the Board of Directors, the President, a majority of the Board of Directors then in office, or by one-third (1/3) or more of the voting members. The purpose of each special meeting shall be stated in the notice and may only include purposes which are lawful and proper for voting members to consider.

7.4 Place of Meeting. The Board of Directors may designate any place, either within or without the State of California, as the place of meeting for any meeting of voting members. If no designation is made, then the place of meeting shall be the principal office of the Corporation. Voting members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

7.5 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered personally or by mail not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the President or Secretary or the persons calling the meeting to each voting member of record entitled to vote at the meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail addressed to the voting member at his address as it appears on the records of the Corporation with postage thereon prepaid.

7.6 Waiver of Notice. A written waiver of notice signed by a voting member, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a voting member at a meeting shall constitute a waiver of notice of such meeting, except when the voting member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

7.7 Action Without Meeting. Any action of the voting members may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken is signed by all of the voting members of the Corporation.

7.8 Quorum and Voting. One-third (1/3) of the voting members appearing in person or by proxy shall constitute a quorum at any meeting of the voting members. If a quorum is present, unless otherwise provided by law or in the articles of incorporation or elsewhere in these bylaws, the affirmative vote of a majority of the members at the meeting entitled to vote on the subject matter shall be the act of the voting members. If a quorum is not present when a meeting starts, then a majority of the members at the meeting may adjourn the meeting from time to time without further notice until a quorum is present.

7.9 Votes. Each voting member shall be entitled to one vote on each matter submitted to a vote at a meeting of voting members. No member shall have any voting right except as expressly provided in the articles of incorporation or these bylaws.

7.10 Proxies. Every member entitled to vote at a meeting of voting members may authorize another person or persons to act for him by proxy. Every proxy shall be in writing and

shall be signed by the voting member or his otherwise duly authorized attorney-in-fact. No proxy shall be valid after the expiration of sixty (60) days from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the voting member executing it, except as otherwise provided by law.

7.11 Resignation. Any member may resign by providing written notice to the Secretary of the Corporation. Such written notice shall contain the effective date of the member's resignation or shall be deemed effective upon actual receipt.

ARTICLE 8

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority must be in writing and may be general or confined to specific instances.

8.2 Checks, Drafts, Notes, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such other manner as may from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

8.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

8.4 Gifts. The Board of Directors, the President or their designees, may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE 9

INDEMNIFICATION AND INSURANCE

9.1 Indemnification. If any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, seeks indemnification from the Corporation against judgments, fines, amounts paid in settlement and expenses, including attorneys' fees incurred in connection with such action, suit, or proceeding by reason of the fact that such person is or was a director, officer, member, employee, or agent of the Corporation, then, unless such

indemnification is ordered by a court, the Corporation shall determine in the manner provided under California law whether or not indemnification is proper under the circumstances. If it is determined that such indemnification shall be provided, such person may be indemnified to the fullest extent now or hereafter permitted by California law.

9.2 Indemnification Not Exclusive of Other Rights. The indemnification provided in Section 9.1 above shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the articles of incorporation or bylaws, or any agreement, vote of members or disinterested directors, or otherwise as to action in an official capacity while holding such office. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

9.3 Insurance. To the extent permitted by California law, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, member, or agent of the Corporation.

ARTICLE 10

MISCELLANEOUS

10.1 Books and Records. The Corporation shall keep correct and complete books and records of account and also shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

10.2 Corporate Seal. The corporate seal (of which there may be one or more exemplars) shall be in a standard, circular form for California corporations or in such other form as the Board of Directors may from time to time determine.

10.3 Fiscal Year. The Board of Directors is authorized to fix the fiscal year of the Corporation and to change the same from time to time as it deems appropriate. Initially, the fiscal year shall be the same as the calendar year.

10.4 Internal Revenue Code. All references in these bylaws to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any applicable future United States Internal Revenue law, and to all regulations issued under such sections and provisions.

10.5 Construction. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible:

- (a) The remainder of these bylaws shall be considered valid and operative.

(b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

10.6 Headings. The headings are for organization, convenience and clarity. In interpreting these bylaws, they shall be subordinated in importance to the other written materials.

10.7 Relation to Articles of Incorporation. These bylaws are subject to, and governed by, the articles of incorporation.

ARTICLE 11

AMENDMENTS

11.1 Power to Amend Articles of Incorporation and Bylaws. The Board of Directors shall have the power to amend the Articles of Incorporation and the power to alter, amend or repeal these bylaws or adopt new bylaws, subject, however, to all limitations imposed by the articles of incorporation. In particular no amendment to the Articles of Incorporation or to these bylaws shall be effective until such amendment to the Articles of Incorporation or these Bylaws is ratified by the affirmative votes of not fewer than eighty percent (80%) of the voting members.

11.2 Conditions. Action by the Board of Directors with respect to the Articles of Incorporation or the Bylaws shall be taken by a majority vote of all the directors then in office.

ARTICLE 12

TAX-EXEMPT STATUS

12.1 Tax-Exempt Status. The affairs of the Corporation at all times shall be conducted in such a manner as to assure its status as an organization defined in Internal Revenue Code Section 501(c)(3) which is qualified for exemption from tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 13

DISSOLUTION

Upon dissolution of the Corporation, any assets remaining after paying or making provision for the payment of all the liabilities of the Corporation shall be disposed of in accordance with the laws of the State of California and Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 14

SUBORDINATE UNIT

The Corporation shall be authorized to become an ancillary, subordinate unit of a nonprofit corporation, exempt from the payment of federal income tax as organization described under Section 501(c)(3) of the Internal Revenue Code, as the Board of Directors may select at its discretion. If the Corporation becomes an ancillary, subordinate unit of such organization, it shall operate under the general supervision and control of such organization.

CERTIFICATION

I HEREBY CERTIFY that the foregoing bylaws for Foundation For Affordable Housing V, Inc., were duly adopted as the Bylaws of such Corporation by the Board of Directors thereof on February 4, 1999.

Foundation For Affordable Housing V, Inc.

Date: February 14, 1999

By: Richard A. Wallace
Secretary